

CalPERS

Asset Allocation as of December 31, 2007

Total Fund Market Value: **\$253,014,286,289**

	Global Equity ¹	Domestic Equity	International Equity	AIM	Global Fixed	Domestic Fixed	International Fixed	Cash ^{2, 5}	Real Estate	Total Fund
Strategic Target Range %	61-71%			3-9%	21-31%				4-12%	
Strategic Target %	66.0%	40.0%	20.0%	6.0%	26.0%	23.0%	3.0%	0.0%	8.0%	N/A
Cash Market Investment %	63.5%	34.5%	20.9%	8.1%	27.0%	24.0%	3.0%	0.8%	8.8%	N/A
Tactical Overlay %	0.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	(0.3%)	0.0%	N/A
Effective Investment %	63.8%	34.8%	21.0%	8.1%	27.0%	24.0%	3.0%	0.4%	8.8%	N/A
Variance % (Strategic vs. Effective)	(2.2%)	(5.2%)	1.0%	2.1%	1.0%	1.0%	(0.0%)	0.4%	0.8%	N/A
Strategic Target \$ ³	\$167.0	\$101.2	\$50.6	\$15.2	\$65.8	\$58.2	\$7.6	\$0.0	\$20.2	N/A
Cash Market Investment \$ ^{3, 4}	\$160.6	\$87.4	\$52.8	\$20.4	\$68.3	\$60.8	\$7.5	\$1.9	\$22.2	N/A
Tactical Overlay \$ ³	\$0.8	\$0.6	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.8)	\$0.0	N/A
Effective Investment \$ ^{3, 4}	\$161.5	\$87.9	\$53.1	\$20.4	\$68.3	\$60.8	\$7.5	\$1.1	\$22.2	N/A
Variance \$ (Strategic vs. Effective) ^{3, 4}	(\$5.5)	(\$13.3)	\$2.5	\$5.2	\$2.5	\$2.6	(\$0.1)	\$1.1	\$2.0	N/A
% Passive	50.3%	65.1%	45.2%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	32.4%
% Active	49.7%	34.9%	54.8%	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	67.6%
% Internal	55.4%	72.3%	48.9%	0.0%	89.0%	100.0%	0.0%	100.0%	5.0%	60.4%
% External	44.6%	27.7%	51.1%	100.0%	11.0%	0.0%	100.0%	0.0%	95.0%	39.6%

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* MDP Venture accounts included in MDP's primary asset class. MDP Fixed, CalPERS Hedge Fund, and Enhanced Index Equity roll to External Domestic Equity.

¹ Includes AIM

² Cash includes SMIF at STO.

³ (\$ Billion)

⁴ Based upon Trade Date Accounting as recommended by CFA Institute GIPS Standards.

⁵ Approximately \$0.8 Billion notional in Equity Futures were purchased to equitize cash.

⁶ Real Estate unfunded commitment amount is as of November 30, 2007

Private Market Commitment as of December 31, 2007							
AIM				Real Estate			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$20.41	8.1%	3-9%	Fair Market Value (FMV)	\$22.20	8.8%	4-12%
Unfunded Commitment	<u>\$22.40</u>	<u>8.9%</u>		Unfunded Commitment ⁶	<u>\$17.27</u>	<u>6.8%</u>	
Fair Market Value plus Unfunded Commitment	\$42.81	16.9%		Fair Market Value plus Unfunded Commitment	\$39.47	15.6%	

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 12/31/2007

Company Name	Equity Exposure			Total Equity Market Value	Fixed Income Exposure			Total FI Market Value	Real Estate Exposure (1)	TOTAL Market Value	% of Total Fund(3)
	Internally Managed Active	Externally Managed Passive	Externally Managed Active		Internal	External	Sec. Lending(2)				
GENERAL ELECTRIC	199,163,431	1,159,879,523	200,651,421	1,559,694,375	564,191,743	35,501,327	975,321,755	1,575,014,825		3,134,709,200	0.85%
EXXON MOBIL CORP	279,401,194	1,593,282,771	353,018,861	2,225,702,826				0		2,225,702,826	0.88%
MICROSOFT CORP	197,001,393	1,029,046,480	244,985,992	1,471,033,865				0		1,471,033,865	0.58%
BERKSHIRE HATHAWAY	279,393,120	672,600,000	2,407,200	954,400,320	381,573,106		50,005,415	431,578,521		1,385,978,841	0.53%
CITIGROUP INC	68,761,124	443,716,736	102,749,663	615,227,523	381,626,165	21,863,676	271,070,250	674,560,091		1,289,787,614	0.40%
AT&T INC	131,799,851	785,085,024	204,203,979	1,121,088,854				0		1,121,088,854	0.44%
AMERICAN INTL GROUP INC	144,665,737	460,196,880	95,040,893	699,903,510	312,623,921	5,754,626	100,066,000	418,444,547		1,118,348,057	0.40%
WAL MART STORES INC	182,984,878	601,439,867	126,327,442	910,752,187	175,422,489	3,131,620		178,554,109		1,089,306,296	0.43%
BANK OF AMERICA CORP	82,302,849	566,631,832	120,250,083	769,184,764	229,849,718	9,073,837		238,923,555		1,008,108,319	0.40%
GOOGLE INC	167,130,716	653,310,304	162,798,594	983,239,614				0		983,239,614	0.39%
PROCTER + GAMBLE CO	89,050,824	703,481,072	149,089,075	941,620,971	14,829,090			14,829,090		956,450,061	0.38%
CONOCOPHILLIPS	133,996,398	448,528,680	114,697,550	697,222,628	238,702,574			238,702,574		935,925,202	0.37%
JPMORGAN CHASE & CO	66,752,592	459,799,190	157,261,085	683,812,867	213,159,656	8,174,769		221,334,425		905,147,292	0.36%
CHEVRONTXACO CORP	100,478,705	613,234,098	187,207,754	900,920,557				0		900,920,557	0.36%
JOHNSON + JOHNSON	123,165,619	587,166,770	138,168,917	848,501,306	13,665,564			13,665,564		862,166,870	0.34%
ROYAL DUTCH SHELL		398,237,220	394,072,832	792,310,052				0		792,310,052	0.31%
VERIZON COMMUNICATIONS INC.	40,199,431	372,994,637	100,840,889	514,034,957	265,435,097			265,435,097		779,470,054	0.31%
APPLE COMPUTER	101,151,929	519,167,680	134,801,561	755,121,170				0		755,121,170	0.30%
GOLDMAN SACHS GROUP	74,394,397	268,403,905	101,310,055	444,108,357	277,531,852	22,036,768		299,568,620		743,676,977	0.29%
PFIZER INC	82,001,498	482,703,372	142,762,811	707,467,681	16,472,155			16,472,155		723,939,836	0.29%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

TARGET PERCENTAGE COMPARISON

ASSET ALLOCATION ¹

As of December 31, 2007

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Target²</u>	<u>Target Range²</u>	<u>Difference (C-D)</u>
Cash Equivalents	0.8 %	0.4 %	0.0 %		0.4 %
Domestic Fixed Income	24.0	24.0	23.0		1.0
International Fixed Income	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>		<u>0.0</u>
Global Fixed Income	27.0	27.0	26.0	21-31 %	1.0
AIM	8.1	8.1	6.0	3-9 %	2.1
Domestic Equity ³	34.5	34.8	40.0		-5.2
International Equity	<u>20.9</u>	<u>21.0</u>	<u>20.0</u>		<u>1.0</u>
Global Equity	63.5	63.8	66.0	61-71 %	-2.2
Real Estate	8.8	8.8	8.0	4-12 %	0.8
Total Fund	<u><u>100.0 %</u></u>	<u><u>100.0%</u></u>	<u><u>100.0 %</u></u>		

¹ As allocated to managers.

² Asset Allocation Workshop, October 2004.

³ Included is MDP Investment: LM Capital Investment: Total Market Value=**\$202.6 million**.

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TARGET DOLLAR COMPARISON ASSET ALLOCATION

As of December 31, 2007

(A) <u>Asset Class</u>	(B) <u>Cash Market Allocation</u> (\$ Billion)	(C) <u>Effective Allocation</u> (\$ Billion)	(D) <u>Target¹</u> (\$ Billion)	(E) <u>Difference (C-D)</u> (\$ Billion)
Cash Equivalents	1.9	1.1	0.0	1.1
Domestic Fixed Income	60.8	60.8	58.2	2.6
International Fixed Income	<u>7.5</u>	<u>7.5</u>	<u>7.6</u>	<u>-0.1</u>
Global Fixed Income	68.3	68.3	65.8	2.5
AIM	20.4	20.4	15.2	5.2
Domestic Equity ²	87.4	87.9	101.2	-13.3
International Equity	<u>52.8</u>	<u>53.1</u>	<u>50.6</u>	<u>2.5</u>
Global Equity	160.6	161.5	167.0	-5.5
Real Estate	22.2	22.2	20.2	2.0
Total Fund	<u><u>253.0</u></u>	<u><u>253.0</u></u>	<u><u>253.0</u></u>	

¹ Based upon Strategic Asset Allocation Target Percentage of total fund, from Asset Allocation Workshop October 2004.

² Included is MDP Investment: LM Capital Investment: Total Market Value= **\$202.6 million**.

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MONTHLY PROGRESS REPORT

ASSET ALLOCATION ¹

As of December 31, 2007

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	11/30/2007 Effective <u>Allocation</u> (\$ Billion)	12/31/2007 Effective <u>Allocation</u> (\$ Billion)	Difference <u>(C-B)</u> (\$ Billion)	<u>Target</u> ² (\$ Billion)
Cash Equivalents	0.0	1.1	1.0	0.0
Domestic Fixed Income	61.0	60.8	-0.1	58.2
International Fixed Income	<u>7.5</u>	<u>7.5</u>	<u>0.0</u>	<u>7.6</u>
Global Fixed Income	68.5	68.3	-0.2	65.8
AIM	20.1	20.4	0.3	15.2
Domestic Equity ³	89.6	87.9	-1.7	101.2
International Equity	<u>53.8</u>	<u>53.1</u>	<u>-0.7</u>	<u>50.6</u>
Global Equity	163.5	161.5	-2.0	167.0
Real Estate	21.6	22.2	0.6	20.2
Total Fund	<u><u>253.7</u></u>	<u><u>253.0</u></u>	<u><u>-0.6</u></u>	<u><u>253.0</u></u>

¹ Monthly progress report toward policy targets.

² Based upon Strategic Asset Allocation Target Percentage of total fund, from Asset Allocation Workshop October 2004.

³ Included is MDP Investment: LM Capital Investment: Total Market Value= **\$202.6 million**.

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BOOK VS MARKET VALUE

As of December 31, 2007

(A) <u>Asset Class</u>	(B) <u>Book Value</u> (\$ Billion)	(C) <u>Market Value</u> (\$ Billion)	(D) Effective <u>Market Value</u> (\$ Billion)	(E) Difference <u>(C - B)</u> (\$ Billion)
Cash Equivalents	1.9	1.9	1.1	0.0
Domestic Fixed Income	57.1	60.8	60.8	3.8
International Fixed Income	<u>7.0</u>	<u>7.5</u>	<u>7.5</u>	<u>0.4</u>
Global Fixed Income	64.1	68.3	68.3	4.2
AIM	21.7	20.4	20.4	-1.3
Domestic Equity ¹	54.3	87.4	87.9	33.1
International Equity	<u>42.3</u>	<u>52.8</u>	<u>53.1</u>	<u>10.6</u>
Global Equity	118.2	160.6	161.5	42.4
Real Estate	19.5	22.2	22.2	2.7
Total Fund	<u>203.8</u>	<u>253.0</u>	<u>253.0</u>	<u>49.3</u>

¹ Included is MDP Investment- LM Capital Investment: Total Book Value= **\$199.9 million**, Total Market Value=**\$202.6 million**.

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GROSS PERFORMANCE VS EXPECTED RETURNS

One Year

January 1, 2007 to December 31, 2007

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return¹</u>	<u>Expected Standard Deviation¹</u>	<u>One Standard Deviation Range</u>
Cash Equivalents	0.8 %	0.4 %	5.4 %	1.5 %	1.1 %	0.4 - 2.6 %
Domestic Fixed Income	24.0	24.0	7.7			
International Fixed Income	3.0	3.0	10.9			
Global Fixed Income	27.0	27.0	8.1	3.0	7.0	-4.0 - 10.0
AIM	8.1	8.1	25.8	10.0	35.0	-25.0 - 45.0
Domestic Equity	34.5	34.8	6.2	7.0	17.0	-10.0 - 24.0
International Equity	20.9	21.0	13.9	7.0	19.5	-12.5 - 26.5
Global Equity	63.5	63.8	8.9 ²			
Real Estate	8.8	8.8	12.0	5.5	14.0	-8.5 - 19.5
Total Fund	<u>100.0</u>	<u>100.0</u>	<u>10.2</u>	<u>8.0</u>	<u>12.2</u>	<u>-4.2 - 20.2</u>

¹ Asset Allocation Workshop, October 2004

² Global Equity Return, does not include AIM's Return

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NET PERFORMANCE VS EXPECTED RETURNS

One Year

January 1, 2007 to December 31, 2007

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return¹</u>	<u>Expected Standard Deviation</u>	<u>One Standard Deviation Range</u>
Cash Equivalents	0.8 %	0.4 %	5.4 %	1.5 %	1.1 %	0.4 - 2.6 %
Domestic Fixed Income	24.0	24.0	7.7			
International Fixed Income	3.0	3.0	10.8			
Global Fixed Income	27.0	27.0	8.1	3.0	7.0	-4.0 - 10.0
AIM	8.1	8.1	25.8	10.0	35.0	-25.0 - 45.0
Domestic Equity	34.5	34.8	6.2	7.0	17.0	-10.0 - 24.0
International Equity	20.9	21.0	13.8	7.0	19.5	-12.5 - 26.5
Global Equity	63.5	63.8	8.8 ²			
Real Estate	8.8	8.8	9.5	5.5	14.0	-8.5 - 19.5
Total Fund	100.0	100.0	10.0	8.0	12.2	-4.2 - 20.2

¹ Asset Allocation Workshop, October 2004

² Global Equity Return, does not include AIM's Return

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GROSS RETURNS

One Year

January 1, 2007 to December 31, 2007

	(A)	(B)	(C)
<u>Asset Class</u>	<u>Reported Gross Return</u>	<u>Expenses</u>	<u>Net Return (A-B)</u>
Cash Equivalents	5.35%	0.00%	5.35%
Domestic Fixed Income	7.72%	0.00%	7.72%
International Fixed Income	10.88%	0.06%	10.82%
Global Fixed Income	8.07%	0.01%	8.06%
AIM	25.77%	0.01%	25.76%
Domestic Equity	6.24%	0.07%	6.17%
International Equity	13.92%	0.11%	13.81%
Global Equity ¹	8.92%	0.08%	8.84%
Real Estate	11.96%	2.46%	9.50%
Total Fund	10.23%	0.25%	9.98%

¹ Global Equity Returns and Expenses do not include AIM

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
CIO REPORT
GROSS RATES OF RETURN
Period Ending December 31, 2007
Investment Committee Meeting

	MKT VAL (000'S)	One Month Dec 07	QTR Oct - Dec 07	FYTD 07-08	CYTD 2007	1 Year	3 Years	5 Years	10 Years
TOTAL PLAN									
SJ1CA1 - TOTAL FUND	253,014,286	-0.34	-0.41	2.65	10.23	10.23	12.27	14.63	8.65
CPERST02 - CALPERS POLICY INDEX		-0.38	0.18	3.10	9.95	9.95	11.17	13.41	7.85
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX		-0.35	0.23	3.24	10.48	10.48	11.29	13.69	7.98
GLOBAL EQUITY									
DOMESTIC									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	79,326,349	-0.40	-2.90	-1.54	6.35	6.35	9.14	13.73	6.40
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED)		-0.48	-2.76	-1.12	6.65	6.65	9.20	13.72	6.09
INTERNATIONAL - EXTERNAL									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	23,001,962	-1.10	-0.86	4.14	19.27	19.27	21.19	24.63	10.39
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	23,060,602	-0.86	-1.18	1.96	16.65	16.65	20.48	23.17	9.86
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY)		-1.46	-0.21	3.86	17.22	17.22	20.06	24.16	10.17
INTERNATIONAL - INTERNAL									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	23,761,967	-2.02	-1.33	1.63	13.61	13.61			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAI		-2.01	-1.27	1.61	13.45	13.45			
SWCG - EXTERNAL INTERNATIONAL EQUITY TRANSITION	129,753	-2.05	-2.46	-10.36	-12.22	-12.22			
HEDGE FUND INVESTMENTS									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	7,026,799	0.66	1.97	1.87	9.89	9.89	11.02	11.19	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY)		0.63	2.77	5.96	11.22	11.22	9.37	10.80	
CORPORATE GOVERNANCE									
SWMKA1 - CORPORATE GOVERNANCE	5,340,914	-2.90	-8.03	-12.32	-3.73	-3.73	8.66	17.35	
CPERSGC2 - CALPERS CORPORATE GOVERNANCE IC (DAILY)		-1.37	-3.48	-4.18	3.17	3.17	11.41	16.31	
MDP I DOM FIXED INCOME-INVESTMENTS									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	202,618	0.09	2.91	5.82	7.29	7.29	4.60	5.59	
X40D - CITIGROUP BIG (DAILY)		0.20	3.15	6.27	7.22	7.22	4.69	4.55	6.03
GLOBAL FIXED INCOME									
DOMESTIC									
SJDKA1 - TOTAL DOMESTIC FIXED INCOME	60,345,595	0.23	3.48	6.94	7.72	7.72	5.64	6.77	7.00
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		0.11	3.52	6.92	7.16	7.16	4.82	5.24	6.55
INTERNATIONAL									
SJDCA1 - TOTAL INTL FIXED INCOME	7,481,398	-0.57	3.67	11.59	10.88	10.88	2.64	7.82	6.09
CALWGXU2 - CALPERS WORLD GOVT X US		-0.65	3.69	11.67	10.90	10.90	2.74	7.57	6.31
CASH EQUIVALENTS									
SJVK1 - TOTAL CASH	1,577,624	0.43	1.29	2.64	5.35	5.35	4.65	3.32	4.18
Y8K2 - PERS CUSTOM STIF NET OF FEES		0.40	1.23	2.59	5.30	5.30	4.51	3.16	3.88
ALTERNATIVE INVESTMENTS									
SJAIM - TOTAL AIM COMPOSITE	20,408,866	-0.05	0.06	11.57	25.77	25.77	23.17	17.61	12.39
SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS	20,327,246	-0.04	0.15	11.77	25.99	25.99	23.36	17.61	12.68
CPERYCX2 - WILSHIRE 2500 PLUS 500 BPS/CYFU BLEND		1.53	4.67	8.41	16.30	16.30	17.89	12.82	5.93
SW2V - AIM DISTRIBUTION STOCK	81,620	-2.94	-16.39	-14.84	-4.16	-4.16	5.06	15.01	
REAL ESTATE									
SW3CA1 - CORE REAL ESTATE	10,277,793	3.31	3.31	11.62	18.16	18.16	33.22	25.00	18.95
SW7KA1 - TOTAL NON-CORE REAL ESTATE	10,482,622	-1.38	-2.81	-1.11	5.49	5.49	25.51	24.30	15.82
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		0.00	0.00	4.59	13.26	13.26	16.66	13.99	12.68
INFLATION LINKED									
SX2CA1 - TOTAL INFLATION LINKED (PILOT)	1,907,262	1.52	4.13						
CPERSCP4 - CPI + 400 BPS		0.26	1.33						

⁽¹⁾ SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end. Excludes MDP venture accounts in composites SW9C, SWDC.

This report prepared by State Street Bank

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
CIO REPORT
NET RATES OF RETURN
Period Ending December 31, 2007
Investment Committee Meeting

	MKT VAL (000'S)	One Month Dec 07	QTR Oct - Dec 07	FYTD 07-08	CYTD 2007	1 Year	3 Years	5 Years	10 Years
TOTAL PLAN									
SJ1CA1 - TOTAL FUND	253,014,286	-0.39	-0.46	2.52	9.98	9.98	11.90	14.34	8.46
CPERST02 - CALPERS POLICY INDEX		-0.38	0.18	3.10	9.95	9.95	11.17	13.41	7.85
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX		-0.35	0.23	3.24	10.48	10.48	11.29	13.69	7.98
GLOBAL EQUITY									
DOMESTIC									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	79,326,349	-0.40	-2.91	-1.55	6.32	6.32	9.11	13.70	6.38
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED)		-0.48	-2.76	-1.12	6.65	6.65	9.20	13.72	6.09
INTERNATIONAL - EXTERNAL									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	23,001,962	-1.12	-0.94	4.00	19.02	19.02	21.05	24.51	10.33
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	23,060,602	-0.88	-1.26	1.83	16.40	16.40	20.33	23.04	9.78
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY		-1.46	-0.21	3.86	17.22	17.22	20.06	24.16	10.17
INTERNATIONAL - INTERNAL									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	23,761,967	-2.02	-1.33	1.63	13.61	13.61			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAI		-2.01	-1.27	1.61	13.45	13.45			
SWCG - EXTERNAL INTERNATIONAL EQUITY TRANSITION	129,753	-2.05	-2.46	-10.36	-12.22	-12.22			
HEDGE FUND INVESTMENTS									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	7,026,799	0.58	1.81	1.65	9.45	9.45	10.70	10.82	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY)		0.63	2.77	5.96	11.22	11.22	9.37	10.80	
CORPORATE GOVERNANCE									
SWMKA1 - CORPORATE GOVERNANCE	5,340,914	-2.90	-8.03	-12.39	-3.99	-3.99	8.31	16.82	
CPERSGC2 - CALPERS CORPORATE GOVERNANCE IC (DAILY)		-1.37	-3.48	-4.18	3.17	3.17	11.41	16.31	
MDP I DOM FIXED INCOME-INVESTMENTS									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	202,618	0.06	2.87	5.74	7.18	7.18	4.46	5.40	
X40D - CITIGROUP BIG (DAILY)		0.20	3.15	6.27	7.22	7.22	4.69	4.55	6.03
GLOBAL FIXED INCOME									
DOMESTIC									
SJDKA1 - TOTAL DOMESTIC FIXED INCOME	60,345,595	0.23	3.48	6.94	7.72	7.72	5.63	6.75	7.00
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		0.11	3.52	6.92	7.16	7.16	4.82	5.24	6.55
INTERNATIONAL									
SJDCA1 - TOTAL INTL FIXED INCOME	7,481,398	-0.58	3.66	11.57	10.82	10.82	2.57	7.75	6.02
CALWGXU2 - CALPERS WORLD GOVT X US		-0.65	3.69	11.67	10.90	10.90	2.74	7.57	6.31
CASH EQUIVALENTS									
SJVKA1 - TOTAL CASH	1,577,624	0.43	1.29	2.64	5.35	5.35	4.65	3.32	4.18
Y8K2 - PERS CUSTOM STIF NET OF FEES		0.40	1.23	2.59	5.30	5.30	4.51	3.16	3.88
ALTERNATIVE INVESTMENTS									
SJAIM - TOTAL AIM COMPOSITE	20,408,866	-0.05	0.05	11.56	25.76	25.76	23.16	17.59	12.38
SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS	20,327,246	-0.04	0.15	11.77	25.99	25.99	23.36	17.61	12.68
CPERYCX2 - WILSHIRE 2500 PLUS 500 BPS/CYFU BLEND		1.53	4.67	8.41	16.30	16.30	17.89	12.82	5.93
SW2V - AIM DISTRIBUTION STOCK	81,620	-2.94	-16.60	-15.35	-5.62	-5.62	3.66	13.71	
REAL ESTATE									
SW3CA1 - CORE REAL ESTATE	10,277,793	3.12	3.12	10.59	16.72	16.72	28.17	21.64	16.83
SW7KA1 - TOTAL NON-CORE REAL ESTATE	10,482,622	-2.12	-3.54	-2.64	2.04	2.04	18.58	18.85	12.31
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		0.00	0.00	4.59	13.26	13.26	16.66	13.99	12.68
INFLATION LINKED									
SX2CA1 - TOTAL INFLATION LINKED (PILOT)	1,907,262	1.48	4.07						
CPERSCP4 - CPI + 400 BPS		0.26	1.33						

⁽¹⁾ SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank Excludes MDP venture accounts in composites SW9C, SWDC.
Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end.

This report prepared by State Street Bank

CALPERS INVESTMENT IN CALIFORNIA as of December 31, 2007

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Portfolio Value</u>	<u>California (Commitment/ Investments)¹</u>	<u>California Investments</u>	<u>CA Investment as % of Asset Class (D/B)</u>	<u>Program Description or Assumption</u>
<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>%</u>	
REAL ESTATE					
Real Estate	22,201.6	8,170.4	4,736.0	21 %	Outstanding commitments (column C/column B): 36.8%
EQUITY					
AIM	20,408.9	2,400.0	1,900.0	9	Includes commitments through December 31, 2007
Domestic Equity	87,357.8	12,421.0	12,421.0	14	CA investment is approximately 14%
International Equity	<u>52,839.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Equity	<u>160,606.5</u>	<u>14,821.0</u>	<u>14,321.0</u>	<u>9 %</u>	
FIXED INCOME					
Domestic Fixed Income	60,824.5	2,738.8	2,738.8	5	
International Fixed Income	<u>7,481.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Fixed Income	<u>68,305.9</u>	<u>2,738.8</u>	<u>2,738.8</u>	<u>4 %</u>	
CASH / CASH EQUIVALENTS					
Cash / Cash Equivalents	1,900.3	0.0	0.0	0	On deposit at the Treasurer's Office: \$908.15
TOTAL FUND	<u>253,014.3</u>	<u>25,730.2</u>	<u>21,795.9</u>	<u>9 %</u>	Outstanding commitments (column C/column B): 10.2%

¹ Total actual investments at market value and outstanding program commitments in California

Note: Due to reporting constraints, the California Investments in Real Estate reported (except for Housing and REITs which are as of December 31, 2007) are as of November 30, 2007.